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**STATEMENT BY U.S. TRADE REPRESENTATIVE
CHARLENE BARSHEFSKY**

U.S. Trade Representative Charlene Barshefsky announced today that Taiwan has agreed to not implement an earlier decision to adopt capital reserve requirements that would have severely restricted operations of U.S. insurance companies in Taiwan.

“I welcome this decision by Taiwan which will allow U.S. insurance companies to participate in the rapid growth of the Taiwan market,” said Barshefsky. “This is a good solution for our insurance companies and one that continues to ensure protection for those insured in Taiwan.”

In May 1997, the Taiwan authorities determined that foreign insurance companies could count only assets held by their branches within Taiwan to meet reserve requirements. The American Council of Life Insurance estimated that these new regulations would have cost an average of \$25 million for each existing insurance company branch office as well as for new entrants. On November 5, 1997 Taiwan Finance Minister Paul Chiu determined that branches of U.S. and other foreign insurance companies could continue to follow the practice of including the assets of the parent company in the U.S. or other home country in meeting the new capital requirements.

At least ten U.S. insurance companies have branches in Taiwan, and others are considering establishing branches in Taiwan.